

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO. 2010-00136
FILING OF PUBLIC GAS COMPANY, INC.)	

ORDER

On October 10, 1986, in Case No. 9565,¹ the Commission approved rates for Public Gas Company ("Public") and provided for their further adjustment in accordance with Public's Gas Cost Adjustment ("GCA") clause.

On March 30, 2010, Public filed its proposed GCA to be effective May 1, 2010.

Having reviewed the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Public's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Public's proposed Expected Gas Cost ("EGC") is \$7.2513 per Mcf, which is a decrease of \$1.4024 per Mcf from the previous EGC of \$8.6537 per Mcf.
3. Public's EGC is based on a price estimate provided by its supplier, Jefferson Gas, LLC ("Jefferson"). The price support Jefferson provided indicates that the estimate is based on NYMEX futures prices for May, June, and July 2010. In Public's next GCA filing, it should provide, along with its cost support, a copy of

¹ Case No. 9565, Notice of Public Gas Company, Inc. of a General Rate Adjustment (Ky. PSC Oct. 10, 1986).

its current supply contract with Jefferson as well as the method used by Jefferson to calculate the monthly price estimates for Public based on the NYMEX futures rates.

4. Public's notice sets out no current quarter Refund Adjustment.

5. Public's notice sets out a current quarter Actual Adjustment ("AA") of (\$.4522) per Mcf. People's total AA of (\$.5880) per Mcf is an increase of \$.4927 per Mcf from the previous total AA of (\$1.0807) per Mcf.

6. Public's GCA is \$6.6633 per Mcf, which is a decrease of \$.9097 per Mcf from the previous GCA of \$7.5730 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for service rendered by Public on and after May 1, 2010.

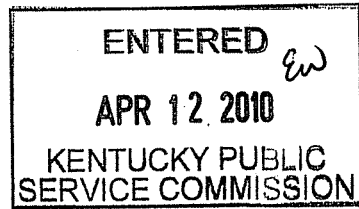
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after May 1, 2010.

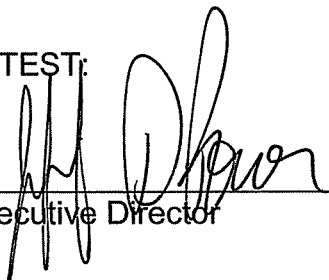
2. Within 20 days of the date of this Order, Public shall file its revised tariffs with this Commission, setting out the rates authorized herein reflecting that they were approved pursuant to this Order.

3. Public's next GCA filing for rates effective August 1, 2010 shall include its current supply contract with Jefferson, as well as the method used by Jefferson to calculate the monthly price estimates for Public based on the NYMEX futures rates.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00136 DATED APR 12 2010

The following rates and charges are prescribed for the customers served by Public Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf.	\$3.2705	\$6.6633	\$9.9338
Over 1 Mcf	\$2.1505	\$6.6633	\$8.8138

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